Declassified and Approved For Release 2012/09/25 : CIA-RDP90-00965R000302140003-2

ARTICLE APPEARED
PAGE 43

U.S.NEWS & WORLD REPORT
9 September 1985

U.S. Weighs Its Stake in German Spy Scandal

How to limit the flow of secrets to Bonn without alienating a key ally—it's a tough test for Washington.

West Germany's widening spy scandal confronts the U.S. once again with the dilemma of how much to cooperate with America's most vulnerable yet most important ally.

With the magnitude of the latest espionage case escalating almost daily, wariness about how far to go in sharing intelligence with Bonn is deepening in Washington and other allied capitals.

In the words of a North Atlantic Treaty Organization diplomat: "This affair will shatter confidence in West German security for some time to come and mean most partners will regard Bonn as being as leaky as a sieve."

The scandal, triggered by the defection to East Germany of Bonn's counterespionage chief, Hans Joachim Tiedge, involved at least five West Germans by the end of August, including a secretary in the office of the President. It also led to the ouster of the boss of the country's foreign-intelligence services, Heribert Hellenbroich.

Widespread fallout. Repercussions from the scandal were felt outside Germany, with the arrest in Britain and Switzerland of two East German couples who had been under surveillance as spies. They were apprehended when Bonn informed authorities that Tiedge might notify East Germany that its agents were being followed.

The affair took an ironic turn with the defection in Argentina of a senior East German diplomat, Martin Winkler, who requested asylum in the United States. One report, denied by Bonn officials, claimed that he was a double agent who worked for West German intelligence and feared that he would be exposed by Tiedge. Another report, published in the mass-circulation West German newspaper *Bild*, described Winkler as an East German spymaster with responsibility for most East German agents in Latin America.

The bizarre affair dramatized anew West Germany's vulnerability as a target of Soviet-bloc espionage stemming from two factors.

One is that even after 40 years the two Germanys still have strong ties of a common language, culture and history. Furthermore, with thousands of East Germans crossing the intra-German border on business and family visits, and 40,000 having been allowed to immigrate to West Germany over the past two years, Communist intelligence agencies have found it relatively easy to plant spies.

ACTION PRESS/PHOTOREPORTERS

Counterspy boss Tiedge—a defector.

A second factor that makes West Germany a soft target for East German espionage is Bonn's policy of maintaining a fragmented intelligence system to insure against the emergence of a new Gestapo. There are nearly a score of separate agencies, each independent and jealous of its turf.

For example, Tiedge's outfit—the Office for the Protection of the Constitution—operates from headquarters in Cologne and is responsible for investigating threats to national security such as espionage and terrorism. But it has no authority to make arrests. A related agency, the federal police, which makes arrests, is based in Wiesbaden.

Bonn's spy chief Hellenbroich.

Hundreds of miles from these two offices is the headquarters of the Foreign Intelligence Agency, the counterpart to the U.S. Central Intelligence Agency, which works closely with the U.S. in gathering intelligence in Soviet-bloc countries. Each of West Germany's 10 states as well as the city of Berlin operates its own security offices.

The effect of this policy of dispersing intelligence and counterintelligence operations widely is summed up by George Carver, a former CIA official who served in Bonn: "The Germans have a Balkanized intelligence service that is not very efficient. But if it were merged, that would make us extremely nervous. Germany is a soft target."

Just how soft West Germany is as an espionage target is underscored by the Tiedge case. The counterintelligence chief was kept in his post despite widely reported drinking problems and debts of some $55,000—classic tip-offs of a security risk.

Déjà vu. Further underscoring West Germany's vulnerability to penetration by East German spies is the fact that Bonn has been rocked periodically by espionage sensations. The most spectacular led to the resignation of former Chancellor Willy Brandt in 1974 after it was disclosed that a confidential aide was an East German agent.

Aware of the risks, allies have long taken special precautions in exchanging secrets with Bonn. Like others, U.S. intelligence agencies provide their West German counterparts with sensitive information only on a need-to-know basis.

U.S. intelligence officials now are attempting to assess the potential damage caused by the latest spy case. They fear that Tiedge may have tipped off the East Germans to those among their estimated 3,000 agents who have been detected by West German authorities. They are concerned, too, that the counterespionage chief may have compromised West Germans recruited by the U.S. for intelligence operations as well as those working for Bonn intelligence services.

As the shock waves from Bonn's latest spy scandal spread, the challenge for Washington is how to control the flow of vital secrets to West Germany without endangering cooperation with a key ally. □

By JOSEPH FROMM and ORR KELLY with reports from Bonn and London

Declassified and Approved For Release 2012/09/25 : CIA-RDP90-00965R000302140003-2